

**RULES  
OF  
THE TENNESSEE DEPARTMENT OF HUMAN SERVICES  
DIVISION OF CHILD CARE AND COMMUNITY SERVICES**

**CHAPTER 1240-04-07  
REPORT CARDS AND RATED LICENSING FOR CHILD CARE AGENCIES**

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**1240-04-07-.01 PURPOSE AND SCOPE.**

- (1) This chapter implements the provisions of T.C.A., § 71-3-502, by establishing a system for evaluating all child care agencies licensed by the Department of Human Services.
- (2) This system will consist of four (4) required evaluations throughout the licensing year for each child care agency, a summary of which shall be posted at each child care agency.
- (3) This system allows parents and caretakers of children to make more informed choices regarding the child care options available for their children and to encourage the improvement of child care for Tennessee's children.

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** Original rule filed October 30, 2001; effective January 13, 2002. Repeal and new rule filed October 21, 2008; effective January 4, 2009. Amendments filed March 31, 2022; effective June 29, 2022.

**1240-04-07-.02 DEFINITIONS.**

- (1) Bonus Payment. An amount paid through the Child Care Certificate Program that is above and beyond the basic subsidy rate and is based upon the score achieved by a child care agency.
- (2) Certificate Payment. Payments made through Child Care Certificate Program to a participating agency, either at the basic subsidy rate or at the higher rate paid to an eligible child care agency based upon the agency's quality rating improvement system score.
- (3) Child Care Agency. Includes a child care center, group child care home, or family child care home.
- (4) Child Care Certificate Program. A Tennessee Department of Human Services program that provides financial assistance to eligible families to help cover the cost of child care.
- (5) Child Care Environment. The organization of space, interactions of children with each other and with staff, the variety and type of activities offered by the child care agency, the schedule of activities for children, and opportunities provided for staff and parents relating to the areas of professional growth, parental involvement, intentional teaching, and social-emotional development.
- (6) Child Care Resource & Referral (CCR&R). A statewide network of regionally located agencies that assist parents, child care professionals, and the community by offering information on child care and by providing technical assistance, consultation, resource materials, and training to child care agencies.

(Rule 1240-04-07-.02, continued)

- (7) Civil Penalty. A financial sanction imposed by the Tennessee Department of Human Services against a child care agency that has violated a licensing regulation.
- (8) Compliance History. A record of an agency's history with respect to attaining and maintaining compliance with applicable licensing laws and regulations.
- (9) Department. The Department of Human Services.
- (10) Director. The on-site manager for a child care agency who has overall responsibility for the daily oversight of all staff and direct child care services. The director, with the guidance of the board of directors or owner of the agency, shall be responsible for supervision, training, and evaluation of the staff, the program and the day-to-day operation of the center.
- (11) Educator. An individual, whether paid or unpaid, including the Primary Educator, who is responsible for meeting the supervision, protection, and basic needs of the child, and who is used to meet the adult:child ratios required by these rules. For the purposes of these rules the term educator is equivalent to caregiver as defined by T.C.A. § 71-3-501.
- (12) Early Care and Education. A system that includes pre-kindergarten, Head Start, and licensed center-based, group, and home child care programs, dedicated to the care, education, protection, supervision or guidance of children beginning at birth.
- (13) License. A permit issued by the Department to a child care agency authorizing the agency (the licensee) to provide child care in accordance with the provisions of the license, the law, and the regulations of the Tennessee Department of Human Services.
- (14) Primary Educator. The adult who is responsible for direct care and supervision of children in a family or group child care home and for the daily operation of the home. In a child care home, which is not operated by a child care home administrator, the primary educator is the licensee. Duties may include hiring, training and supervision of other educators.
- (15) Quality Rating Improvement System. The system by which all childcare agencies will be evaluated. This system incorporates four (4) evaluations over the course of a year of all childcare agencies.

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** Original rule filed October 30, 2001; effective January 13, 2002. Repeal and new rule filed October 21, 2008; effective January 4, 2009. Amendments filed May 1, 2018; effective July 30, 2018. Amendments filed March 31, 2022; effective June 29, 2022.

#### **1240-04-07-.03 QUALITY RATING IMPROVEMENT SYSTEM.**

- (1) The license monitoring process shall include an evaluation of the child care agency for a quality rating improvement system scorecard in accordance with the provisions set forth in this chapter.
- (2) A child care agency shall receive an annual quality rating improvement system score that sets forth the agency's overall score based upon applicable criteria contained within each component area.
- (3) The component areas, as determined by the Department, measure certain key indicators of performance set forth in T.C.A. § 71-3-502(j), as indicated below:
  - (a) Health and Safety; and

(Rule 1240-04-07-.03, continued)

- (b) Teacher/Child Interactions.
- (4) Monitoring Visits.
  - (a) For the purpose of generating an annual quality rating improvement system score, monitoring visits shall consist of four (4) quarterly visits each year, except for programs that are closed during the summer. These agencies will have three (3) quarterly visits and one (1) quarterly visit prior to or just after the three (3) month closure.
  - (b) Each visit will be conducted at a different time of the day to get a look at the entire program throughout the year.
  - (c) During each quarterly monitoring visit, twenty-five percent (25%) of the Health and Safety section categories and one hundred percent (100%) of Teacher/Child Interactions will be scored.
- (5) In addition to critical health and safety items, during each quarterly monitoring visit, one of four (4) categories from the Health and Safety section will be scored with a total value of 60 points. The four (4) categories are listed below:
  - (a) Supervision Practices/Facilities/Equipment;
  - (b) Record Keeping;
  - (c) Healthy Weight and Disease Prevention; and
  - (d) Organizational Structure.
- (6) Assignment of Scores.
  - (a) The score for each component area of the Health and Safety section indicates the agency's compliance with departmental licensing regulations.
  - (b) Each element indicator on the classroom observation tool is scored based on "required evidence." Therefore, in order to achieve a score of "met" on an item, all of the required evidence must be either visually observed or documented during the teacher interview when the classroom observation tool is administered during each quarterly visit.
  - (c) The total combined score possible for the Teacher/Child Interactions and Health and Safety sections is 100.
  - (d) Upon completion of the quarterly visit, prior to departure, the Licensing Consultant (LC) will review the scoresheet with the agency director or primary educator and discuss areas of high performance and strategies for areas that may have been deficient. If time or schedule does not allow for the director and/or educator to meet on this day the LC will schedule a time either in person, video chat, or through a telephone conversation within five (5) business days to review.
- (7) The agency's official quality rating improvement system scorecard and license shall be posted together in a conspicuous area at the child care agency, as may be directed by the Department.
- (8) Violations.
  - (a) Agencies found to be in violation of licensing requirements during a live monitoring visit will have points deducted from the item from where the violation was found.

(Rule 1240-04-07-.03, continued)

- (b) Agencies found to be in violation of critical health and safety items and/or teacher/child interactions items between monitoring visits will have points deducted from the item where the violation was found on the next monitoring visit.

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** Original rule filed October 30, 2001; effective January 13, 2002. Repeal and new rule filed October 21, 2008; effective January 4, 2009. Amendments filed May 1, 2018; effective July 30, 2018. Amendments filed March 31, 2022; effective June 29, 2022.

#### **1240-04-07-.04 CERTIFICATE BONUSES.**

- (1) All licensed child care agencies are eligible to receive at least the base rate of reimbursement paid through the Child Care Certificate Program if they enter into the contract with the Department to participate in the Child Care Certificate Payment Program.
- (2) A licensed child care agency is eligible to receive bonus payments through the Child Care Certificate Program as indicated below:
  - (a) Agencies attaining an annual Quality Rating Improvement System score of 80-90 shall receive the base rate plus fifteen percent (15%) of the base rate as a bonus payment.
  - (b) Agencies attaining an annual Quality Rating Improvement System score of 90-100 shall receive the base rate plus twenty percent (20%) of the base rate as a bonus payment.

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** Original rule filed October 30, 2001; effective January 13, 2002. Repeal and new rule filed October 21, 2008; effective January 4, 2009. Amendments filed May 1, 2018; effective July 30, 2018. Amendments filed March 31, 2022; effective June 29, 2022.

#### **1240-04-07-.05 REPEALED.**

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** Original rule filed October 30, 2001; effective January 13, 2002. Amendment filed May 22, 2007; effective August 7, 2007. Repeal and new rule filed October 21, 2008; effective January 4, 2009. Amendments filed May 1, 2018; effective July 30, 2018. Repeal filed March 31, 2022; effective June 29, 2022.

#### **1240-04-07-.06 REPEALED.**

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** New rule filed October 21, 2008; effective January 4, 2009. Amendments filed May 1, 2018; effective July 30, 2018. Repeal filed March 31, 2022; effective June 29, 2022.

#### **1240-04-07-.07 REPEALED.**

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** New rule filed October 21, 2008; effective January 4, 2009. Amendments filed May 1, 2018; effective July 30, 2018. Repeal filed March 31, 2022; effective June 29, 2022.

#### **1240-04-07-.08 APPEAL PROCESS.**

- (1) Upon receiving its annual scoring results, a child care agency may choose to appeal any part of its Quality Rating Improvement System (QRIS) score.

(Rule 1240-04-07-.08, continued)

- (2) This appeal will include a review of the agency's average score over the course of the four (4) licensing visits.
- (3) Intradepartmental Review.

The appeal process shall begin with the request for an Intradepartmental Review, to be conducted according to the policies and procedures established by the Department.

- (a) The request for an Intradepartmental Review shall be in writing and shall include:
  - 1. A statement that identifies the specific information and/or rating that is in dispute;
  - 2. A statement that identifies the basis upon which the agency is alleging that an error has occurred;
  - 3. Supporting documentation with the written request; and
  - 4. If the information required by this subparagraph (a) is not provided by the child care agency, the appeal may be dismissed at the sole discretion of the Department.
- (b) Issues considered during the Intradepartmental Review shall be limited to:
  - 1. Whether, at the time of the evaluation, the agency was provided proper credit for compliance with the criteria required in each of the component areas; and/or
  - 2. Whether the agency's rating was otherwise correctly calculated.
- (c) The written request for Intradepartmental Review must be received by the Department within twenty (20) business days following the date of mailing of the issuance of the official Quality Rating Improvement System scorecard and license to the child care agency.
- (d) Intradepartmental Review is an informal process not subject to the contested case provisions of the Administrative Procedures Act, T.C.A. §§ 4-5-301 et seq. and shall precede, and must be completed before, any Administrative Hearing.
- (e) In conducting the Intradepartmental Review, the Department may take any of the following actions as deemed appropriate in its discretion:
  - 1. Request additional information from the child care agency and/or third parties;
  - 2. Examine additional documentation from the child care agency and/or third parties; and/or
  - 3. Conduct an informal hearing, not subject to the provisions of T.C.A. §§ 4-5-301 et seq., that may include statements from the child care agency and/or third parties.
- (f) The Department shall complete the review and render a written decision to the child care agency within forty-five (45) business days of receipt by the Department of the written request for review.
- (g) Upon receiving the written decision from the Intradepartmental Review, the agency may request an Administrative Hearing, as provided for in paragraph (4) below.

(Rule 1240-04-07-.08, continued)

- (h) Upon completion of the Intradepartmental Review, the agency shall receive the rating resulting from the review process, as well as the certificate payments that are commensurate with that rating.
- (4) Administrative Hearing.
  - (a) A request for Administrative Hearing must be submitted to the Department by the agency within ten (10) business days after the mailing date of the Department's written decision from the Intradepartmental Review.
  - (b) The issues addressed in the Administrative Hearing are limited to the issues raised during the Intradepartmental Review.
  - (c) The Administrative Hearing shall be conducted as a contested case proceeding by the Department's Appeals and Hearings Division according to T.C.A. §§ 4-5-301 et seq.
  - (d) The hearing officer shall render a written decision within thirty (30) business days after the hearing and shall send a copy of such decision to the Department and to the child care agency.
  - (e) Bonus Payments.
    - 1. If the agency requests an Administrative Hearing, the agency's bonus payments shall be based upon the results of the most recently completed score.
    - 2. If the Administrative Hearing results in an increase to the agency's score which warrants an increase in the amount of the bonus payment, the Department will pay to the agency the difference between the two amounts that accrued during the Administrative Hearing process.
- (5) Issuance of a New Quality Rating Improvement Score
  - (a) If the results of any process established in paragraphs (3) and (4) above should require the issuance of a new Quality Rating Improvement System scorecard, such scorecard shall be issued to the child care agency within thirty (30) business days of issuance of the written decision.
  - (b) Immediately upon receipt of the new Quality Rating Improvement System score, the child care agency shall post the QRIS Score as directed by the Department.

**Authority:** T.C.A. §§ 4-5-201, et seq.; 4-5-202; and 71-3-502(a)(2) and (j). **Administrative History:** New rule filed October 21, 2008; effective January 4, 2009. Amendments filed May 1, 2018; effective July 30, 2018. Amendments filed March 31, 2022; effective June 29, 2022.